



BOARD OF EQUALIZATION
LEGISLATIVE COMMITTEE MEETING MINUTES
HONORABLE JOHAN KLEHS, CHAIR
450 N STREET, SACRAMENTO, ROOM 122
MARCH 28, 2001, 9:30 AM

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1. Legislative Bills - Recommendations for Board Positions

PROPERTY TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
1. AB 136	Corbett	1/23/01	Personal property tax: hand tool exemption	Support	Assem. Approp. Hearing 4/4/01
2. AB 206	Wyland	2/9/01	Property taxation: exemptions: low-valued properties	Support	AR & T Hearing 4/16/01
3. AB 218	Dutra	2/9/01	Homeowners' property tax exemption	Support	AR & T
4. AB 226	B. Campbell	2/13/01	Power plant facilities: incentives		
5. AB 934	Hertzberg	2/23/01	Property taxes: trial de novo	Neutral	AR & T
6. AB 49x	B. Campbell	2/13/01	Power plant facilities: incentives		
7. SB 198	Chesbro	2/8/01	Property taxation: nature resources and open-space lands	Support	SR & T Hearing 4/4/01
8. SB 306	Poochigian	2/20/01	Property taxation: new construction: underground storage tanks	Support	SR & T Hearing 4/4/01
9. SB 882	O'Connell	2/23/01	Property taxation: welfare exemption: public park	Support	SR & T Hearing 4/4/01

PROPERTY TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
10. SB 13x	Polanco	1/23/01	Security assessment: state-purchased electric power on behalf of public utilities	Neutral	Senate Energy, Utilities & Communications
11. SCA 1x	Poochigian	2/20/01	Property taxation: new construction: exclusion: energy efficient modifications	Support	SR & T Hearing 4/18/01

PROPERTY/BUSINESS/ADMINISTRATION TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Status</u>
12. AB 172	Reyes	2/5/01	Information practices: State Board of Equalization	

BUSINESS TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec.</u>	<u>Status</u>
13. AB 7	Cardoza	3/13/01	Sales and use taxes: farm equipment and machinery	Support	AR & T Hearing 3/28/01
14. AB 173	Chavez	2/5/01	Solid waste: inert waste exemption	Neutral	Assem. Natural Resources Hearing 4/2/01
15. AB 208	Frommer	2/9/01	Sales and use taxes: partial exemptions: acupuncturists	Neutral	AR & T Hearing 4/16/01
16. AB 228	J. Campbell	2/13/01	Internet Tax Freedom Act: continuation	Support	AR & T
17. AB 249	Matthews	2/14/01	Sales and use taxes: exemptions: medicines: lancets and blood glucose test strips	Support	AR & T Hearing 4/16/01

 BUSINESS TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec</u>	<u>Status</u>
18. AB 375	J. Campbell	2/20/01	Sales and use taxes: \$500 exemption from use tax	Neutral	AR & T
19. AB 390	Maddox	2/20/01	Sales and use tax: ¼% rate reduction	Support	Referred to AR & T
20. AB 523	Matthews	2/21/01	Sales and use taxes: exemptions: bronchodilators	Support	AR & T
21. AB 554	J. Campbell	2/21/01	Sales and use tax exemptions: low-emission vehicles	Neutral	AR & T
22. AB 695	Pescetti	2/22/01	Sales and use taxes: exemption: energy efficient appliances and solar paneling	Neutral	AR & T Hearing 4/16/01
23. AB 863	Thomson	2/22/01	Transactions and use tax: City of West Sacramento	Neutral	AR & T
24. AB 893	B. Campbell	2/23/01	Sales and use taxes: exemptions: vending machines	Support	AR & T
25. AB 904	Briggs	2/23/01	Sales and use taxes: exemptions: thoroughbred horses: breeding stock	Oppose	AR & T
26. AB 1077	Mountjoy	2/23/01	Sales and use taxes: public school exemption	Support	AR & T
27. AB 1185	Mountjoy	2/23/01	Sales and use taxes: exemptions: clothing and footwear	Support	AR & T
28. AB 1199	Cardenas and Matthews	2/23/01	Sales and use taxes: exemptions: clothing and footwear	Support	AR & T
29. AB 1319	Cox	2/23/01	Sales and use taxes: exemption: solar energy system	Support	Ref. to AR & T and Utilities & Commerce

 BUSINESS TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec</u>	<u>Status</u>
30. AB 1427	Nation	2/23/01	Sales and use taxes: exemptions: vending machines	Support	AR & T
31. AB 1477	Hertzberg	2/23/01	311 telephone surcharge	Oppose	Assembly Governmental Organization
32. AB 1575	B. Campbell	2/23/01	Sales and use taxes: exemptions: property for use in space flight	Support	AR & T
33. AB 1636	Briggs	2/23/01	Sales and use tax: exemptions: diesel fuel	Neutral	Ref. to AR & T and Utilities & Commerce
34. AB 58x	Cox	2/16/01	Sales and use taxes: exemption: solar energy system	Support	Assem. Energy, Costs & Availability
35. SB 145	Perata	1/30/01	Sales and use taxes: exemptions: bunker fuel	Support	SR & T Hearing 4/4/01
36. SB 175	Torlakson	2/5/01	Sales and use taxes: exemptions: mobilehome	Support	SR & T Hearing 4/4/01
37. SB 394	Sher	2/21/01	Internet Tax Freedom Act: continuation	Support	Senate Local Government Hearing 4/18/01
38. SB 546	McClintock	2/22/01	Sales and use taxes: exemptions: textbooks	Support	SR & T Hearing 4/4/01
39. SB 640	Knight	2/22/01	Sales and use taxes: exemptions: property for use in space flight	Support	SR & T Hearing 4/18/01
40. SB 794	Knight	2/23/01	Transactions and use tax: Baker Community Services District	Neutral	Senate Local Government Hearing 5/2/01
41. SB 835	Battin	2/23/01	Sales and use taxes: exemptions: fuel taxes	Neutral	SR & T

BUSINESS TAXES

<u>Bill No.</u>	<u>Author</u>	<u>Date</u>	<u>Subject</u>	<u>Committee Rec</u>	<u>Status</u>
42. SB 896	Poochigian	2/23/01	911 surcharge exemption	Support	Senate Energy, Utilities & Communications
43. SB 1074	Soto	2/23/01	Sales and use tax exemption: electricity generating property	Neutral	SR & T Hearing 4/18/01
44. SB 1187	Costa	3/1/01	Transactions and use taxes: Fresno zoo	Neutral	SR & T Hearing 4/4/01

2. 2001 Legislative Proposals

PROPERTY TAXES

2001 Legislative Proposals

Set forth below are suggestions for Property Taxes legislation to be sponsored by the Board in the first year of the 2001-2002 Legislative Session (see attachments).

New Business

Suggestion Number

1-19 ~~Amend Section 74.5 of the Revenue and Taxation Code to give taxpayers more time to claim a seismic safety new construction exclusion.~~

~~Source: Honorable Johan Klehs~~

~~Revenue Impact: Minor~~

Recommendation:

BUSINESS TAXES SALES AND USE TAXES

2001 Legislative Proposals

Set forth below are suggestions for Business Taxes legislation to be sponsored by the Board in the first year of the 2001-2002 Legislative Session (see attachments).

Old Business For reconsideration

Suggestion Number

3-5 ~~Amend Section 7205.1 of the Revenue and Taxation Code to clarify that the definition of motor vehicles is limited to passenger vehicles and light-duty pickup trucks.~~

~~Source: Sales and Use Tax Department~~

~~Revenue Impact: None~~

~~Recommendation:~~

Suggestion Number

3-9 Add Article 2.1 (commencing with Section 7070.1) to Chapter 8 of Part 1 of Division 2 of the Revenue and Taxation Code to authorize the Board to develop and administer a sales and use tax amnesty program.

Source: Taxpayers' Bill of Rights Hearing

Revenue Impact: \$122.2 million gain (\$79.4 million audit and \$42.8 million non-audit)

Recommendation: Put over to April

BUSINESS TAXES SPECIAL TAXES

New Business

Suggestion Number

4-16 Amend Section 25205.6 of the Health and Safety Code to exempt nonprofit organizations from the environmental fee.

Source: Honorable Dean Andal

Revenue Impact: \$2.6 million annual revenue loss

Recommendation: Put over to April

Approved: /S/ Johan Klehs
Johan Klehs, Committee Chair

/S/ James E. Speed
James E. Speed, Executive Director

BOARD APPROVED

at the 3/29/01 Board Meeting

/S/ Judy Newton
Judy Newton, Chief
Board Proceedings Division

MEMORANDUM

Date: March 28, 2001

To: Honorable Dean Andal
Honorable Claude Parrish
Honorable John Chiang
Honorable Kathleen Connell

From: Johan Klehs, Chair
Legislative Committee

There are some bills which I disagree with the official Board of Equalization position of support, opposition and neutrality on the March 28, 2001, Legislative Committee agenda. While not listing all of the bill positions with which I disagree, I would like to specifically note my position on the following bills:

AB 208	(Frommer)	Support
AB 1319	(Cox)	Neutral
AB 1477	(Hertzberg)	Neutral
AB 58x	(Cox)	Neutral

State of California Board of Equalization**M e m o r a n d u m**

To: Honorable Johan Klehs, Chair
Board Committee on Legislation

Date: March 29, 2001

From: Dean F. Andal
Member, Second District

Subject: Legislative Bills

Please note that my position on the following legislative bills differs from the recommendations made by the Board Committee on Legislation on March 28, 2001:

<u>Bill/Author/Version</u>	<u>Andal Position</u>	<u>Committee Recommendation</u>
Property Taxes		
AB 934 (Hertzberg) @ 2/23/01	Support	Neutral
Business Taxes		
AB 173 (Chavez) @ 2/5/01	Support	Neutral
AB 208 (Frommer) @ 2/9/01	Oppose	Neutral
AB 695 (Pescetti) @ 2/22/01	Support	Neutral
AB 863 (Thomson) @ 2/22/01	Oppose	Neutral
AB 1636 (Briggs) @ 2/23/01	Support	Neutral
SB 794 (Knight) @ 2/23/01	Oppose	Neutral
SB 835 (Battin) @ 2/23/01	Support	Neutral
SB 1187 (Costa) @ 3/01/01	Oppose	Neutral

DFA:hah

cc: Honorable John Chiang
Honorable Claude Parrish
Honorable Kathleen Connell
Ms. Margaret S. Shedd
Ms. Judy Newton